DOCUMENT RESUME

ED 312 074 PS 018 355

TITLE Foster Care: Preliminary Report on Reform Effects. Report to Congressional Requesters.
INSTITUTION General Accounting Office, Washington, DC. Program Evaluation and Methodology Div.
REPORT NO GAO/PEMD-89-23BR
PUB DATE Jun 89
NOTE 15p.
AVAILABLE FROM U.S. General Accounting Office, Post Office Box 6015, Gaithersburg, MD 20877 (first 5 copies free; additional copies $2.00 each).
PUB TYPE Reports - General (140) -- Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Federal Aid; *Federal Legislation; *Foster Care; *Incentives; *Program Effectiveness; *Welfare Services

ABSTRACT

This briefing report presents preliminary results of a review of the effects of the 1980 foster care reforms. Particular attention was given to federal incentives for reform built into the requirements for the states' receipt of additional funds under the Child Welfare Services grants program. A total of 116 studies, reviews, and commentaries were identified through bibliographic searches. Interviews with program officials and external experts were conducted. Section 1 discusses background, objectives, and method. Section 2 lists conditions which a state must meet to receive its share of the appropriations for Child Welfare Services exceeding 141 million dollars. Also described in this section are administrative procedures for determining a state's compliance and eligibility for the incentive funds. Section 3 presents findings of the review. Findings concern the issue of whether the reforms have been implemented as the Congress and the responsible federal agency intended and in a cost-effective manner. Findings also concern the nature and extent of the relationships between this program and others, including the constraints or advantages for program operations that are created. (RH)

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June 1989

United States General Accounting Office

Report to Congressional Requesters

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FOSTER CARE

Preliminary Report on Reform Effects

PS 018355

GAO/ PEMD-89-23BR

GAO

United States
General Accounting Office
Washington, D.C. 20548

Program Evaluation and
Methodology Division

B-200518

June 1, 1989

The Honorable Dan Coats
Ranking Minority Member
Subcommittee on Children, Family,
Drugs, and Alcoholism
Committee on Labor and Human Resources
United States Senate

The Honorable Thomas J. Bliley, Jr.
Ranking Minority Member
Select Committee on Children, Youth,
and Families
House of Representatives

In response to your request, we have evaluated the effects of the 1980 foster care reforms. We focused on the federal incentives for reform built into the requirements for the states' receipt of additional funds under the Child Welfare Services grants program. This briefing report presents, primarily in tabular form, the preliminary results of our review as discussed on May 17, 1989. As agreed with your offices, the full and final report will convey our findings, conclusions, and recommendations. We have incorporated in this report the comments we received from the U.S. Department of Health and Human Services (HHS) on a draft of our primary report.

Unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days from the date of the report. We will then send copies to the U.S. Department of Health and Human Services and make copies available to others upon request. Please call me on (202) 275-1854 if you need further information. This report was prepared under the direction of Lois-ellin Datta, Director of Program Evaluation in Human Services Areas. Other major contributors are listed in appendix I.

Eleanor Chelimsky
Assistant Comptroller General

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Abbreviations

ACYF	Administration for Children, Youth, and Families
HHS	U.S. Department of Health and Human Services

Background, Objectives, and Method

During the 1970's, widespread abuses of the foster care system were reported. A 1977 study indicated that the number of children in foster care had increased to an estimated 502,000 from 318,800 in 1972, and their median length of time in care was 31 months. This study and others found that many children in foster care had numerous different placements over the years and had little hope of returning to their parents or of finding another, permanent home. The Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272) amended several child welfare programs under the Social Security Act of 1935 in light of these reports. In particular, the 1980 act made funds for the federal Foster Care program and large funding increases for the Child Welfare Services grants contingent on the states' implementation of certain procedural protections for children in foster care.

Concerned about reports that foster care abuses may be continuing despite these reforms, the ranking minority members of the Senate Subcommittee on Children, Family, Drugs, and Alcoholism and the House Select Committee on Children, Youth, and Families asked us to conduct a comprehensive review of a key component of the 1980 reforms: the foster care case plan and review system that states must institute in order to receive their full grant allotment for Child Welfare Services.

The Child Welfare Services grants, authorized by title IV-B of the Social Security Act, assist the states in providing a variety of foster care-related and family support services. Section 427 of the act precludes the states from receiving their full share of annual appropriations exceeding $141 million (representing $98.4 million in fiscal year 1988) unless they have developed and implemented, among other reforms, 18 elements encompassing a system of individual case plans, periodic reviews, and dispositional hearings for each child in foster care. These procedural reforms were designed to help reunify the family or, as appropriate, to find for the children suitable adoptive homes.

We structured our review around a comparative evaluation framework developed for the Select Committee in a previous assignment.[1] This framework consists of a standard format for describing a program (or program component) and 10 general criteria for assessing the implementation, effects, and continued need for that program. It is intended as a way of formulating questions about a program and organizing evidence

[1]In a previous report, Children's Programs: A Comparative Evaluation Framework and Five Illustrations, GAO/PEMD-88-28BR (Washington, D.C.: August 31, 1988), we presented the framework we developed and illustrated potential indicators of the general criteria for five specific programs serving children and families.

on it. The 10 criteria are organized to assess the need for the program (problem magnitude, problem seriousness, and duplication), implementation of the program (interrelationships, program fidelity, and administrative efficiency), and effects of the program (targeting success, achievement of intended objectives, cost-effectiveness, and other effects). (Brief definitions of the criteria are provided in section 3 below.)

In coordination with our requesters, we selected two to five indicators for each of the framework's criteria on which to focus our evaluation of the section 427 incentive funds. We developed our list by adapting some indicators and adding others to the previous report's list of illustrative indicators of the criteria for the Child Welfare Services grants as a whole.

Because of time constraints, we conducted this evaluation by reviewing the published and unpublished evidence currently available and did not attempt to collect new information on the program or its implementation. We identified existing evidence through bibliographic searches and interviews with program officials and external experts. We reviewed the literature published primarily since 1985, including 116 studies, reviews, and commentaries. We also interviewed federal agency officials and external experts, and we reviewed federal agency documents on the results of their review of the states' compliance with the law's requirements and their payment of incentive funds to the states.

The Foster Care Protections

The core of the 1980 foster care reforms is embodied in section 427. The section provides that for each fiscal year after 1979, a state cannot receive incentive funds—that is, its share of the appropriations for Child Welfare Services exceeding $141 million—unless it has met the following conditions:

1. completed an inventory of children in foster care for a period of 6 months prior to the inventory, to determine the appropriateness of and necessity for the current placement;

2. established a statewide information system from which the status, demographic characteristics, location, and placement goals of each child can be determined;

3. established a case review system for ensuring that

a. each child has a case plan designed to achieve placement in the least-restrictive (most family-like) setting available, in close proximity to the biological parents;

b. the status of the child is reviewed at least every 6 months to determine the continued necessity of the placement and the extent of compliance with the case plan and progress toward mitigating the need for the placement; and

c. a dispositional hearing is held, no later than 18 months after the initial placement (and periodically thereafter), to determine the future status of the child;

4. implemented a system of services designed to facilitate the child's return home, where appropriate, or other permanent placement.

Additionally, after the full authorization ($266 million) is appropriated for 2 consecutive fiscal years, a state's allotment is reduced to its fiscal year 1979 level (its share of $56 million) unless it has met these requirements and has implemented a system of preplacement preventive services.

In carrying out section 427, the children's bureau of the Administration for Children, Youth, and Families (ACYF) determines a state's compliance and eligibility for the incentive funds through both review of state policies and administrative procedures and a periodic, joint federal-state

reading of a random sample of case records. The administrative procedures review ascertains whether the states have developed adequate policies and procedures to implement each section 427 requirement. The case record survey determines the extent to which the case review system requirements are applied consistently throughout the caseload. This case record review looks for evidence of a case plan, a periodic review, a dispositional hearing, and the 18 elements HHS identified from sections 427 and 475 of the act, which detail the specific components of these three major requirements.

Compliance standards for the case record survey are graduated, rising regularly as a state receives incentive funds over the years. Once a state certifies itself as having the procedural protections in place, the bureau conducts an initial case record review. To pass this review, the states must have established case planning and review procedures and family reunification services. Additionally, at least 66 percent of the sample cases must contain case plans and indicate that reviews were conducted, and at least 13 of the 18 specific elements of case planning and review cited in section 427 must be present in the cases.

In the year after a state successfully passes this review, the bureau conducts another review in which the percentage of cases required to pass is increased to 80. Three years after a state passes that subsequent review, the bureau conducts a triennial review—its highest compliance standard—in which at least 90 percent of the sampled cases must show evidence of a plan, periodic review, dispositional hearing, and at least 15 of the 18 required elements. Thereafter, compliance reviews are conducted only every 3 years. States failing a review are generally reviewed again the following year.

ACYF considers that the states are eligible for their share of the incentive funds for a given fiscal year if they have certified compliance and not failed a compliance review for that year. Those that do not pass are informed by the commissioner of ACYF that they must return the section 427 funds received for that year and that they may appeal ACYF's decision to the departmental appeals board.

Findings on Our Framework Criteria

This section, including the tables, summarizes our findings regarding the implementation, effects, and continuing need for federal incentives for foster care reform.

Implementation of the Reforms

In reviewing how the reforms have been carried out, we examined whether they have been implemented as the Congress and the responsible federal agency intended (program fidelity) and in a cost-efficient manner (administrative efficiency), and what the nature and extent of the relationships are between this program and others, including the constraints or advantages that are created for program operations (interrelationships). The findings of our review on the selected indicators of these criteria are summarized in table 3.1.

Table 3.1: Implementation of the Foster Care Reforms

Criterion	Indicator	Finding
Program fidelity	State compliance with written case plan	Most states meet this requirement; only 3% of cases in 7 states were out of compliance
	State compliance with 6-month review	The states have established this protection, but 2%-68% of case reviews in 29 states were not timely
	State compliance with 18-month dispositional hearing	The states have established this protection, but 3%-38% of case reviews in 27 states were not timely
	Adequacy of permanency (reunification) services	Little information, although services are seen as insufficient
	ACYF compliance requirements	Compliance reviews permit flexibility in implementation; standards do not require full compliance with the law
Interrelationships	State laws and regulations affecting implementation	Most, if not all, states have modified some aspect of state law or policy to conform to the federal mandate
	Agency coordination	Information is generally lacking, but where courts are involved, coordination seems to have strained their capacities

(continued)

Criterion	Indicator	Finding
	Adequacy of resources	Anecdotal reports suggest caseworker overload and inadequacies in services and caseworker training
Administrative efficiency	ACYF compliance enforcement	Reviews probably helped states improve their compliance but, by requiring less than full compliance, standards are currently not high enough to ensure continued improvement
		Only 1 of 21 payments made to states found ineligible has not been recovered
		Delays in resolving state appeals, and in conducting follow-up reviews, permit continued payments to 6 states that failed their most recent review
	State efficiency	Little information is available

Effects of the Reforms

To determine whether the reforms have worked, we reviewed whether the program has reached its intended target groups (targeting success), whether it has achieved its intended purposes and outcomes (achievement of intended objectives), how the value of these effects relate to program costs (cost-effectiveness), and whether the program has had effects—desirable or not—on other congressional concerns (other effects). The findings of our review on the selected indicators of these criteria are summarized in table 3.2.

Table 3.2: Effects of the Foster Care Reforms

Criterion	Indicator	Finding
Targeting success	Distribution of state grants	Gross levels of state compliance are rewarded particularly over time
	Focus on problems	Case reviews are well focused on the problem of extended unplanned stays
	State distribution of funds	Unknown, but funds do not compensate courts for increased responsibilities

(continued)

Criterion	Indicator	Finding
Achievement of intended objectives	Decrease in placement difficulties	Reductions in institutional placements and in multiple placements may stem from the reforms
		It is unknown whether unnecessary and other inappropriate placements have been reduced
	Receipt of needed care and services	Little information is available
	Facilitation of permanent placements	Increased proportions of children have permanent placement goals
Cost-effectiveness	Additional protections	Unknown; burden of reforms has not been quantified
	Different review bodies	No clear advantage but citizen volunteers may be less expensive and provide additional perspective
Other effects	Long-term goals	Speedier departures from foster care and reduced caseload sizes may stem from the reforms
		Reviews may have increased adoption as well as reunification
		It is unknown whether children and families are better off
	Spending on services versus maintenance	Little information is available
	Unintended side effects	Speedier departures may have increased returns
		Courts' additional burdens have not been quantified
		A new legal avenue has been created for monitoring foster care

Continued Need for the Reforms

To find out whether there is a continued need for the incentives, we examined whether an important and sizable problem still exists (problem magnitude); the possible consequences for children, families, and

society of not addressing that problem (problem seriousness); and whether other available resources, public or private, are sufficient to address the problem (duplication). The findings of our review on the selected indicators of these criteria are in table 3.3.

Table 3.3: Continued Need for the Federal Incentives for Reform

Criterion	Indicator	Finding
Problem magnitude	Procedural problems	The quality of case planning and monitoring is questionable; medical, dental, and mental health services are claimed insufficient
	Placement problems	One fourth of children in care had been there at least 3 years; 21% had 3-5 different placements
	Increased demand	Increases in drug use, births to unmarried teenagers, and homelessness may contribute to increased demand for services
Problem seriousness	Consequences of procedural problems	Case planning and monitoring of questionable quality may increase length of stay in care
	Consequences of placement problems	Longer stays may inhibit reunification efforts
Duplication	Alternative resources	Private funds attempt to enhance, not duplicate, federal and state funds, through funding innovative approaches and strategies
	Alternative protections	Federal law provides protections not in all state laws and extends them to all foster care cases

Major Contributors to This Report

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Related GAO Products

Better Federal Program Administration Can Contribute to Improving State Foster Care Programs (GAO/HRD-84-2, Aug. 10, 1984).

Children's Programs: A Comparative Evaluation Framework and Five Illustrations (GAO/PEMD-88-28BR, Aug. 31, 1988).

Foster Care: Use of Funds for Youths Placed in Rite of Passage Program (GAO/HRD-87-23BR, Dec. 9, 1986).

Health and Human Services: Documentation of Funding Decisions for Child Abuse and Neglect Grants Inadequate (GAO/HRD-87-69, May 22, 1987).

Residential Care: Patterns of Child Placement in Three States (GAO/PEMD-85-2, June 28, 1985).

Review of Certain Aspects of Group Home Care for Children in California (GAO/HRD-85-62, July 19, 1985).

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